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Board file
OF COUNSEL
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January 28, 1988

Ms. Dianne R. Nielson, Director
Division of Oil, Gas and Mining
State of Utah
355 West North Temple
3 Triad Center - Suite 350
Salt Lake City, Utah 84180-1203

RECEIVED
JAN 29 1988

DIVISION OF
OIL, GAS & MINING

Re: Mining and Reclamation Plan,
Crystal Peak Minerals
Corporation Sevier Dry Lake
Project, M/027/008-87(1)
Millard County, Utah

Dear Dianne:

In accordance with your request made at the Board hearing today in connection with Crystal Peak's request for a Board Contract to cover the reclamation bonding requirement, enclosed is a copy of each of the following items:

1. Bond No. 8112-68-53 in the amount of \$53,000 dated January 14, 1987, filed as a statewide mineral lease bond covering federal potassium leases described in Exhibit A to the bond.
2. Copy of BLM Decision dated February 5, 1987 accepting the bond.
3. Copy of Stipulations attached to each of the federal leases issued effective January 1, 1988 for your information.

In a conversation with Judy Lever, Jim Carter and Greg Williams after the hearing, the enclosed Stipulations attached to the federal leases which make up 95% of the project area and the obligations covered by the federal lease bond were discussed. The Stipulations were a part of the Amendment to the Mining Plan filed with your office and recently approved by letter of January 15, 1988. Please note that numerical paragraph 8 of the Stipulations provides for the restoration of the land and the procedures to be utilized in connection with that restoration. The board members mentioned felt that provision to be important. The federal lease bond covers obligations created by covenants and agreements contained in the leases.

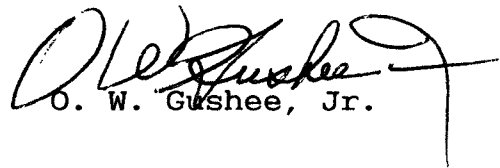
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Dianne R. Nielson
January 28, 1988
Page two

It is requested that Federal Lease Bond No. 8112-68-53 be a part of the total reclamation bonding requirement, thus reducing the Board Contract amount accordingly to avoid double bonding. I apologize for not having furnished you a copy of the federal bond previously.

Please let me know if you have any questions or comments.

Very truly yours,



O. W. Gushee, Jr.

OWG:ka
1089.08
Enclosures

cc: Larry Sower w/encl.
Murray Godbe w/encl.
William V.H. Clarke w/encl.